

FISCAL MEMORANDUM

HB 1558 – SB 1993

April 20, 2007

SUMMARY OF AMENDMENT (005574): Deletes the language of the original bill. Prohibits the Tennessee Education Lottery Corporation (TELC) from offering any type of lottery game that offers more than four (4) drawings in any 24-hour period; prohibits the TELC from offering lottery games with progressive jackpots, except for Powerball, Lotto 5, and other similarly-structured drawings.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – If unclaimed prize money were to ever exceed the current \$18.0 million limit in the future, then after-school programs would benefit by such excess amount up to \$2.0 million. Any unclaimed prize money in excess of \$20.0 million would accrue to the Lottery for Education Account. However, this is considered an unlikely scenario in the near future given historical trends and forecasts for unclaimed prize money for FY07-08 and FY08-09. Otherwise, the fiscal impact of this legislation is considered minimal.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – The fiscal impact of this bill as amended is dependent upon several unknown factors such as (1) if and when such types of games would become available from lottery ticket vendors, (2) the extent of public demand for such future games, and (3) the drawing and payout structures of any such future games. As a result, a precise fiscal impact cannot be quantified. However, it is estimated that the state would forgo future net lottery proceeds of an undeterminable amount.

Assumptions applied to amendment:

- Currently, the TELC does not offer any games having more than four drawings in any 24-hour period or any games with progressive jackpots except for Powerball and Lotto 5.

- According to the TELC, if the lottery industry responded to market demand by offering such types of games as identified in this legislation, and the corporation was prohibited from offering such games for sale, future net lottery proceeds could be significantly reduced from what they would be otherwise.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

/rnc